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 FM SECSTATE WASHDC
 TO RUEHRA/AMEMBASSY RABAT IMMEDIATE 2616
 RUDKKR/AMEMBASSY TUNIS IMMEDIATE 2246
 INFO RUFHRS/AMEMBASSY ALGIERS IMMEDIATE 0984
 BT
 C O N F I D E N T I A L STATE 309962

E.O. 12356: DECL: OADR
 TAGS: PEPR, MILI, AG, US
 SUBJECT: U.S. DECISION TO LICENSE SECOND C-130 SALE TO ALGERIA

1. (S) ENTIRE TEXT.

2. THE SECRETARY HAS DECIDED TO LICENSE THE COMMERCIAL SALE OF A SECOND GROUP OF EIGHT C-130'S TO ALGERIA. HE HAS ALSO DIRECTED THAT, PRIOR TO NOTIFYING THE ALGERIANS AND LOCKHEED, WE INFORM THE MOROCCAN AND TUNISIAN GOVERNMENTS ON A CONFIDENTIAL BASIS AND, WITHOUT GIVING THEM A VETO, TAKE THEIR VIEWS INTO ACCOUNT. WE WILL ALSO CONSULT ON THE HILL.

3. DAS SCHNEIDER BEGAN THE PROCESS NOVEMBER 3 BY CALLING IN SEPARATELY THE AMBASSADORS OF TUNISIA AND MOROCCO TO INFORM THEM OF OUR DECISION. SCHNEIDER NOTED THAT THIS WAS THE SECOND SUCH SALE: A CONTRACT FOR SIX C-130'S WAS APPROVED LAST YEAR. HE SAID WE WANTED OUR FRIENDS IN THE AREA TO BE AWARE OF THE DECISION IN ADVANCE, THAT WE WOULD INFORM THE CONGRESS ON THE AFTERNOON OF NOVEMBER 4 AND THE ALGERIANS NOVEMBER 5. HE NOTED THAT THE SAME RESTRICTIONS WOULD APPLY AS IN THE FIRST SALE. THE PLANES CAN BE USED ONLY FOR DEFENSE AND, BY EXPLICIT AGREEMENT, THEY CANNOT BE USED IN CONNECTION WITH THE WESTERN SAHARA OR TO SUPPORT THE POLISARIO. WE BELIEVE THAT THE PRESENT SALE IS MODEST, BUT CAN ULTIMATELY CONTRIBUTE TO BETTER US-ALGERIAN RELATIONS AND HELP PROCESS OF REDUCING ALGERIAN DEPENDENCE ON THE SOVIETS. WE BELIEVED WE SHARED THESE GOALS WITH OUR FRIENDS IN THE AREA.

4. TUNISIAN AMBASSADOR BEN YAHIA SAID THAT TUNISIA FAVORS THE DEVELOPMENT OF STRONGER US-ALGERIAN TIES. IF DECISIONS SUCH AS THIS WILL BRING ALGERIA CLOSER TO THE WEST, THIS IS WHAT BOTH THE US AND TUNISIA WANT. HE EXPRESSED APPRECIATION FOR US CONSIDERATION OF THE SECURITY CONCERNS OF NEIGHBORING PRO-WESTERN STATES AND FOR BEING INFORMED IN ADVANCE. HE RECALLED THAT THERE HAD BEEN A FEW CASES OF ALGERIAN COOPERATION WITH LIBYAN SUBVERSION EFFORTS, BUT THAT THE GOT HAD RECEIVED ASSURANCES FROM ALGERIA THAT IT HAS NO CLAIMS AGAINST TUNISIA TERRITORY. SCHNEIDER ASSURED HIM THAT THE END-USE RESTRICTIONS APPLIED TO THE PLANE SALE PRECLUDED

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PAGE 002

NC 9811465

TOR: 040206Z NOV 82

THEIR USE FOR SUCH PURPOSES. BEN YAHIA NOTED THAT IT WOULD BE UNFORTUNATE IF ALGERIA OBTAINED ARMS FROM BOTH THE US AND THE SOVIET UNION AND DID NOT MODIFY ITS POLITICAL RELATIONSHIPS. SCHNEIDER REPLIED THAT

WITH THIS IN MIND THE US HAS BEGUN A POLITICAL DIALOGUE WITH THE ALGERIANS AT THEIR REQUEST. THE GOAL IS TO DEVELOP OUR POLITICAL RELATIONS TO COMPLEMENT THE SOLID ECONOMIC RELATIONS THAT ALREADY EXIST BETWEEN THE US AND ALGERIA. THE US AND TUNISIA AGREE COMPLETELY ON THE UTILITY OF SUCH AN EFFORT.

5. MOROCCAN AMBASSADOR BENGELLOUN TOOK NOTE OF SCHNEIDER'S PRESENTATION. HE SAID HE DID NOT KNOW WHAT THE GOVERNMENT REACTION WOULD BE, BUT BELIEVED THAT THE EXPLANATION WE HAD PRESENTED WAS CONVINCING. MOROCCO WOULD LIKE TO SEE BETTER US-ALGERIAN RELATIONS. HE NOTED THAT FOR THE FIRST TIME IN A LONG TIME, THE ALGERIAN FOREIGN MINISTER AND AMBASSADOR HAD VISITED THE MOROCCAN EMBASSY HERE IN CONNECTION WITH THE FEZ DELEGATION VISIT. MOROCCO WOULD WELCOME MORE OPPORTUNITY FOR DISCUSSION WITH ALGERIA-- PERHAPS THE US CAN PLAY A ROLE. BENGELLOUN SAID HE WOULD REPORT OUR DECISION TO RABAT. AFTER A DISCUSSION OF OTHER DEVELOPMENTS, BENGELLOUN REITERATED THAT THE GOM WOULD NOT WANT TO SEE THE C-130'S USED TO SUPPORT THE POLISARIO. SCHNEIDER REPLIED THAT WE HAVE AND WILL DISCUSS AGAIN WITH THE ALGERIANS THE RESTRICTIONS THAT APPLY AND THAT WE WILL CONTINUE TO MONITOR THEIR COMPLIANCE.

5. ACTION ADDRESSEES NEED TAKE NO FURTHER ACTION BUT SHOULD, OF COURSE, REPORT ANY FURTHER REACTION WHICH MAY BE VOLUNTEERED. ALGIERS SHOULD NOT, REPEAT NOT DISCUSS THE SALE WITH THE GOA UNTIL SPECIFICALLY INSTRUCTED TO DO SO.

SHULTZ

END OF MESSAGE

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